



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Joseph P. Bort MetroCenter  
101 Eighth Street  
Oakland, CA 94607-4700  
TEL 510.817.5700  
TDD/TTY 510.817.5769  
FAX 510.817.5848  
E-MAIL [info@mtc.ca.gov](mailto:info@mtc.ca.gov)  
WEB [www.mtc.ca.gov](http://www.mtc.ca.gov)

## *Memorandum*

TO: Planning Committee

DATE: March 3, 2006

FR: Executive Director

RE: Resolution 3434 – Release of Draft Revision for Review

This memorandum provides an update to the Resolution 3434 transit expansion projects in preparation for a revision in April 2006. In particular, the memo highlights revenue and cost changes, key modifications to project scopes, and an initial assessment of candidate projects for a new category of federal funding, Small Starts. A roadmap to the Resolution and its attachments is provided below.

- **Attachment A:** Criteria Evaluation: presents a summary assessment of the recommended projects against the financial and performance criteria established under Resolution No. 3357 – **No Change.**
- **Attachment B:** Program of Projects: presents the final recommended listing of projects, including maps. Previous studies that have been completed or funded are deleted.
- **Attachment C:** Funding Strategy: details the financial strategy for the individual projects.
- **Attachment D:** Terms and Conditions: stipulates requirements for regional discretionary funding, attached to both revenue sources and individual projects.
- **Attachment D-1:** Transit-Oriented Development Policy – **No Change.**

### **Background**

As part of the 2001 Regional Transportation Plan (RTP), the Commission approved a consensus agreement on Bay Area transit expansion. Resolution 3434 – the successor plan to Resolution 1876 – identified 19 rail and bus projects as priority for transit expansion. Roughly \$9.7 billion in funding was identified for \$10.5 billion in project costs. The plan included an array of funding from federal, state, and local sources and matched funds to projects based on competitiveness and eligibility.

In addition, the Commission acted last summer to update Resolution 3434 to add a transit-oriented development policy element to the transit expansion program. This element conditions transit expansion projects funded under Resolution 3434 on supportive local land use plans and policies, as originally envisioned in the policies and procedures established to select transit expansion investments.

### **Summary of Changes**

While there are some changes to the regional funding picture and to individual project funding plans and scopes, the regional vision for an expanded transit network remains largely unchanged in this update. The revision is foremost a reaffirmation of MTC's commitment to the regional transit expansion program adopted in 2001. The following are the primary changes, discussed in more detail later in the memo:

1. There is one new project – five new or expanded ferry routes and improvements to the San Francisco ferry terminal – that is proposed to enter the Resolution 3434 program as revised.

This adjustment to the region's transit expansion program was contemplated at the time of its adoption in 2001, pending approval by the California Legislature of the Water Transit Authority's Implementation and Operations Plan, which has since occurred.

2. There are four projects proposed for elimination from Resolution 3434 because they are not dependent on regional funding, or are a second phase of another 3434 project. Further, three study projects, totaling \$1.5 million, which are either completed or underway are proposed for removal from the program. Given the ambitious goals of the current expansion program, increased costs, and resultant shortfalls, it is staff's proposal that the list be refined to focus regional efforts on completing first initial phases of Resolution 3434 projects that are of a regional nature in terms of funding.
3. While the project mix is relatively unchanged since the 2001 adoption, the cost and funding pictures are quite different. Excluding the projects discussed above that are proposed for removal from Resolution 3434 and the two projects that have opened for service, the costs for the remaining projects have increased from \$9.1 billion to \$12.5 billion or roughly 36%. On further examination, about 9% of the cost increase is associated with escalation as conservatively estimated using the Bay Area consumer price index, while the remaining 25% increase is associated with real cost increases due to scope changes or as determined through project cost refinement based upon more detailed engineering and design work.
4. Revenue increase – On the positive side, the region had an infusion of roughly \$800 million for the Resolution 3434 program through the approval by the voters of Regional Measure 2 (RM2) in March 2004. The passage of sales tax renewals in Contra Costa, San Francisco, and San Mateo counties also contributed to increased revenues for some projects.
5. New Competitive Federal Fund Source – This update also provides a forum for establishing a regional advocacy platform for the new Federal Small Starts program, established under SAFETEA. In the past, the region has been most effective in Washington when speaking with one voice. Given the intense competition expected for these funds nationally, it will be more important than ever for the region to stand behind a consensus Small Starts program, as has been the case for New Starts projects in the past. Staff recommends that Small Starts shore up the existing Resolution 3434 program of projects – replacing less secure funds with what will hopefully be a more stable and predictable funding source.

## **Detailed Changes**

### *Change to Projects included in the Program*

1) Addition of New Ferry Services: With this update, staff is recommending adding the following ferry expansion projects to the vision for transit expansion in the Bay Area – Berkeley, Alameda/Oakland/Harbor Bay, Richmond and Hercules to San Francisco, service to South San Francisco, and Downtown Ferry Terminal Improvements and Ferry Vessels.

The total cost of these ferry improvements is \$180 million. The program is fully funded through RM2, local sales tax measures, and Federal Ferryboat Discretionary funds, which were substantially enhanced under SAFETEA.

Staff performed an evaluation of these new ferry projects against the financial and performance criteria established as part of Resolution 3357. As a reminder, Resolution 3357 established criteria that were used in screening the original projects for selection as regional priorities. The criteria included dedicated local funding, supportive land use, cost-effectiveness, system connectivity; system access; and project readiness. The new ferry services ranked comparably with other projects that were included at the time of original adoption of the regional transit expansion agreement in 2001. There are three projects in the WTA's Implementation Plan that are not proposed for inclusion because they either do not rely on regional funding, in the case of service to Treasure Island which is slated for developer support, or are deemed Phase 2 projects given uncertainty in current funding plans for operating and capital support.

2) Removal of Phase 2 Projects and Projects Not Reliant on Regional Funds from the Program:

There are four projects proposed for elimination from Resolution 3434 because they are not dependent on regional funding, or are a second phase of a project currently included in Resolution 3434. As noted at the outset, costs have increased significantly for the program and revenues have not kept pace. In order to focus efforts on delivering the ambitious transit expansion program, staff is proposing to eliminate from the program projects that do not rely on regional funding or are a second phase enhancement or expansion for a system.

The projects falling into this category include:

1. Downtown to East Valley: The project is 100% locally funded through Santa Clara's Measure A sales tax, and does not assume assignment of discretionary sources at the regional level.
2. Caltrain Express Phase 2: The project is a second phase enhancement of the Baby Bullet service. No operating dollars are identified and current capital funds are limited primarily to the San Mateo improvements rather than the entire length of the corridor. Other significant Caltrain projects such as electrification and the downtown extension would remain in the regional agreement.
3. Capitol Corridor Phase 2: The project is a second phase enhancement of the Capitol Corridor Phase 1 project and would increase running time after completing the increase to the number of roundtrips provided daily.
4. AC Transit Enhanced Bus: Hesperian/Foothill/MacArthur corridors: This project would continue the Bus Rapid Transit concepts of the Telegraph/International/East 14<sup>th</sup> corridor project, shifting to a second phase corridor. The project's funding plan is almost exclusively reliant on uncertain annual appropriations from the FTA discretionary bus program.

For the second phase projects, it may be more appropriate to reconsider regional support at a later time when more significant progress has been achieved on delivery of the Resolution 3434 program overall.

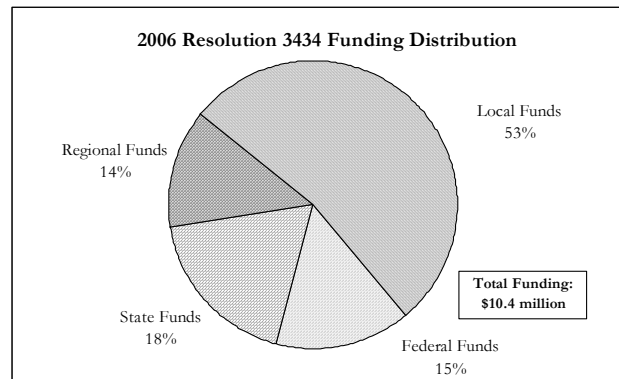
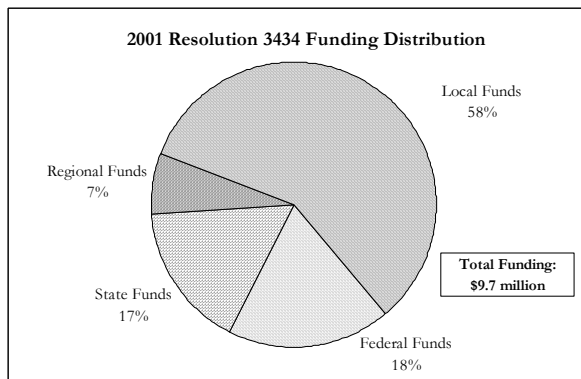
*Funding Landscape*

There have been several positive changes in the funding landscape since the adoption in 2001, resulting in \$10.2 billion now being available for the Resolution 3434 capital project costs. The primary changes to the funding sources are as follows:

- Significant changes to the assumed contributions of sales taxes, Interregional Transportation Improvement Program (ITIP), and other local funding; and
- Addition of the following revenue sources: Regional Measure 2, ITIP Intercity Rail, Federal Ferryboat Discretionary funds, and Federal Small Starts.

- Revision to the split of New Starts federal funds between the two candidate projects – BART to San Jose/Santa Clara and Muni Central Subway.

The overall mix of revenues for the funded element – federal, state, local, and regional – has remained relatively stable as shown in the comparative pie charts below, with the most significant change being the increase in regional funding. The non-federal share of funding has also grown from 82% to 85%.



**Attachment C** is the proposed revision to the cost and funding matrix for Resolution 3434. The big news for revenue was the passage of Regional Measure 2 in March 2004, which directed roughly \$800 million of secure revenues to the Resolution 3434 capital funding mix. The Regional Measure 2 funds provided funding to close gaps where shortfalls existed for some projects and substituted more secure revenues for those that were less secure such as state discretionary ITIP funds, which are both extremely competitive and in short supply due to the state's ongoing fiscal problems.

Other changes worth noting on the funding side include:

- The reliance on less secure ITIP contributions decreased by \$254 million. Of this decrease, \$107 million of intercity eligible candidates were shifted to a new, discrete fund source in the matrix, ITIP Intercity Rail.
- Sales tax contributions increased because of the passage of San Francisco's Proposition K, which directed some revenue to the Muni Third Street New Central Subway, the Caltrain Downtown Extension/ Rebuilt Transbay Terminal, and the Caltrain Electrification project, and Contra Costa Measure J, which made a significant funding contribution to eBART. In addition, the renewal of both the San Mateo and Contra Costa sales tax measures also directed funding to ferry projects. There were also inflationary adjustments to other county sales tax contributions, which is standard for most sales tax expenditure plans.
- The 'other' category of funding changed significantly – decreasing from roughly \$1.8 billion in 2001 to \$0.7 billion in the 2006 proposed update. These changes are specific to projects and were mostly attributed to the decrease in projections for the land sale and tax increment financing for the Transbay Transit Center/Caltrain Downtown Extension.
- The split of federal New Starts funds for the two candidate projects is modified. In the 2001 update, BART to San Jose was slated to receive \$834 million and Muni Central Subway was slated to receive \$432 million. Since that time, the BART to San Jose has defined a Federally Funded Segment, reducing the project's New Starts request to \$636 million in current year dollars. Muni is requesting to increase their New Starts share to \$625 million in 2006 dollars. The overall amount is still within the regional target amount of roughly \$1.3 billion.

- Two new funding categories are proposed to acknowledge the availability of Federal Ferryboat Discretionary as a source of revenue for ferry terminals and vessels, and the new category of funds for Small Starts for fixed guideway or bus rapid transit projects that cost less than \$250 million (to be discussed in more detail below).

A funding shortfall of \$2.3 billion still remains. This is more than double the shortfall identified in 2001, despite the significant infusion of new revenues and with consideration of staff's more "slimmed" down package of projects focusing on Phase 1 projects with regional funding. In 2001, roughly 8% of the capital funding had yet to be identified. Fast forward to 2006 and roughly 18% of the capital funding has yet to be identified. Through the vision element advocacy efforts in the Transportation 2030 long-range plan, these funding gaps could be closed through a blend of local tax measures, the pending state infrastructure bond, high speed rail bonds, or other sources.

#### *New Starts – Confirmation of Commitment*

In Resolution 3357, which established criteria for the Resolution 3434 eventual program of projects, the potential pool of New Starts candidates was limited to those projects or expansion corridors specifically authorized under TEA-21.

Given the fiercely competitive nature of the program, initial Congressional acknowledgement was a critical step. An additional screen against this small set of six corridors was the ability to bring substantial local funding commitments and strong community support to the table to complement the relatively limited share expected from the New Starts program.

At the time of Resolution 3434's development, two projects met these criteria far more than other potential candidates:

The BART Warm Springs to San Jose project, with Santa Clara's contribution of over \$2.0 billion in local sales tax money; and

Muni 3<sup>rd</sup> Street Light Rail – Phase 2 project (the New Central Subway) which extended a Phase 1 rail extension from Bay View Hunters Point to Downtown that was almost exclusively funded with local sales tax and state discretionary funds.

Since the adoption of Resolution 3434 in 2001, both projects have experienced significant cost increases and now face either capital or operating funding shortfalls. VTA has temporarily withdrawn the Silicon Valley BART extension from the New Starts appropriations process in order to work through several project evaluation issues with the Federal Transit Administration (FTA) as well as seek additional sales tax funding from county voters during the 2006 election cycle to fund operations. The Central Subway project has fared better in the FTA evaluation process, but San Francisco Muni will need to secure additional local revenue or reduce costs to close the project's funding shortfall. In short, both projects face considerable challenges, but our assessment is that these challenges can be overcome.

What has *not* changed since 2001 is the basic rationale for each project: in the case of the BART extension, connecting the region's largest city to the region's major rail network; and in the case of the Central Subway, providing improved transit service to one of the densest, most economically disadvantaged, and most congested communities in the Bay Area. Moreover, since 2001, both project

sponsors have increased their commitment of local sales tax funds, which enhance their “overmatch” appeal in the constrained federal fiscal environment.

*New Federal Competitive Funding Source – Small Starts*

With the enactment of SAFETEA in the summer of 2005, there was a new set-aside created from the FTA New Starts program that is limited to projects that have a total cost of \$250 million or less and are new or expanded fixed guideway projects, including corridor-based bus capital projects like bus rapid transit (BRT). The total annual funding level is \$200 million beginning in FY 2007, and the grants are capped at \$75 million for each project. It is important to stress that this program is in its infancy so there are still questions about eligibility and competitiveness of projects. The FTA is currently in the process of promulgating regulations that would outline the specific requirements for this program. Indications are that these regulations will not be finalized until Summer 2007.

Small Starts, as a new discretionary funding source, provides an opportunity to shore up projects in Resolution 3434 that may have less secure funding packages. With this as a primary goal, staff limited its evaluation of candidate projects to those projects already included in Resolution 3434. The screen for eligibility focused on scope, consistency with the cost threshold, and availability of at least the federally required 20% match, as outlined in the SAFETEA legislation.

(Project Capital Cost/Funding in Millions and 2006\$)			Project Information		Screen			
Project	Sponsor	Project Cost (2006 \$)	Local Funding	Local Match	Eligible Scope	Eligible Cost Threshold <250 Million	Local Match > or = 20%	Passes Screen
AC Transit Telegraph/International/East 14th Bus Rapid Transit	AC Transit	175	85	49%	Yes	Yes	Yes	Yes
Capitol Corridor Expansion	CCJPA	78	10	13%	TBD	Yes	No	TBD
Altamont Commuter Express (ACE): service expansion	SJRRRC, ACCMA, VTA	219	40	18%	TBD	Yes	No	TBD
Expanded Ferry Service	WTA	180	136	76%	TBD	Yes	Yes	TBD

- There were only four projects included in the program that were of a dollar threshold below the required \$250 million cap. These projects had various types of less secure funds: \$75 million in Federal Bus Discretionary for AC Transit; \$45 million in ITIP Intercity Rail for Capitol Corridor; \$150 million capital shortfall for ACE; and \$25 million in Ferryboat Discretionary for the ferries. In addition to the projects that fell below the cost cap, there is one project in Resolution 3434 that contains some interim BRT elements. The scope, cost, and support for the BRT elements of the Tri-Valley Transit Improvements are not currently well defined, and as such, staff would defer consideration of this project as a potential candidate until better information is available.
- Two of the projects – ACE Service Expansion and Capitol Corridor – were shy of the required match. Further, the ACE project has a shortfall greater than the funding level required under Small Starts. A ballot measure before the voters in November 2006 in San Joaquin County could provide additional local funding to meet match, but is not expected to fully close the gap to bring the shortfall under \$75 million.

- Three of the projects that met the dollar threshold had questionable eligibility based on preliminary discussions with the Federal Transit Administration: 1) Capitol Corridor Expansion; 2) ACE service expansion; and 3) Expanded Ferry service. For the Capitols, the intercity nature of the service and status of not being a federal grantee added uncertainty about its eligibility. For ACE, FTA noted that the types of improvements seemed more appropriate for the Rail Modernization program as compared to the Small Starts program. For the ferries, expansion projects have typically been funded through the Federal Ferryboat Discretionary program, as proposed through Resolution 3434. It should be noted that SAFETEA quadrupled the size of the ferryboat discretionary program nationwide, substantially improving the competitive position of the Bay Area, given the relatively small number of ferryboat operators around the country.

Staff therefore recommends that the region advocate initially for the one project that passed all of our screen tests: the AC Transit Bus Rapid Transit project along Telegraph/International/East 14<sup>th</sup> Street. The project is consistent with the BRT intent of the Small Starts program and was previously dependent on annual Bus Discretionary funding, which does not provide the certainty necessary for large capital project planning. Further, the corridor has demonstrated ridership at 30,000 daily boardings, an area of strength based on FTA's early comments about wanting to use the program to improve service in corridors that have demonstrated need rather than untested markets.

Given that the regulations are still being finalized and that there are other projects in Resolution 3434 that may be eligible and have a demonstrated need for more secure funding, staff is proposing that an additional regional candidate project could be considered after FTA finalizes the regulations and as planning efforts for the candidate projects advance.

#### *Cost Picture*

While the project mix is relatively unchanged since the 2001 adoption, the cost and funding pictures are quite different. Excluding the projects discussed above that are proposed for removal from Resolution 3434 and those projects that have been delivered, the costs for the remaining projects have increased from \$9.1 billion to \$12.5 billion or roughly 36%. On further examination, about 9% of the cost increase is associated with escalation as conservatively estimated using the Bay Area consumer price index, while the remaining 25% increase is associated with real cost increases due to scope changes or as determined through project cost refinement based upon more detailed engineering and design work.

(In Millions) Project	Cost Difference -				
	Project Cost (2001 \$)	Project Cost (2006 \$)	Inflationary Increase	Real Cost Increase	% Real Cost Increase
AC Transit Berkeley/Oakland/San Leandro					
Bus Rapid Transit	151	175	14	10	7%
BART/Oakland Airport Connector	232	350	21	97	42%
Tri-Valley Transit Access Improvements to	345	464	32	87	25%
East Contra Costa BART Extension (eBART)	345	407	32	30	9%
BART to Warm Springs	634	686	58	(6)	-1%
BART: Warm Springs to San Jose/Santa Clara	3,710	4,792	339	743	20%
Caltrain Electrification	602	657	55	(0)	0%
Transbay Transit Center/Caltrain Downtown					
Extension	1,885	2,589	172	532	28%
Capitol Corridor Expansion	129	78	12	(63)	-49%
MUNI Third Street Light Rail Transit Project -					
New Central Subway	647	1,187	59	481	74%
Altamont Commuter Express (ACE): service					
expansion	121	219	11	87	72%
Sonoma-Marin Rail	200	353	18	135	67%
Dumbarton Rail	129	313	12	172	133%
Expanded Ferry Service to Berkeley, Alameda/Oakland/Harbor Bay, Hercules, Richmond, and South San Francisco; and other improvements.	-	180	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$ 9,130</b>	<b>\$ 12,450</b>	<b>\$ 835</b>	<b>\$ 2,305</b>	<b>25%</b>

The upward trend in cost and the limited revenues available to deliver the program underscore the need to focus regional efforts on the projects currently in the Resolution 3434 pipeline and not consider expanding the program at this time beyond the previously promised ferry project augmentation. Further, it supports the concept of refining the project list to the first phase of projects as well as projects with regional funding.

### Project Implementation

In the final analysis, however, Resolution 3434 is not about pie charts and spreadsheets. Its objective is to deliver better transit service for the region's residents, and project sponsors have been busy in the past five years. Some projects are in the environmental impact review process while others have obtained necessary project approvals or funding allocations. In two cases, expanded transit service has been implemented. Specific highlights include:

- The Caltrain Express or "Baby Bullet" began revenue service in June 2004, thanks to funding provided by the Traffic Congestion Relief Program (TCRP).
- Similarly, approximately twelve new or enhanced regional express routes are in operation, also secured with TCRP and Regional Measure 2 program funds.



- The Muni Third Street New Central Subway and BART to San Jose extension projects were granted federal approval to move into preliminary engineering. Further, the Muni Third Street cleared another federal hurdle in 2005 with a ‘recommended’ rating for the Federal New Starts program;
- AC Transit is slated to complete its Final Environmental Impact Statement in Fall 2006 for the Enhanced Bus along Telegraph Blvd/International Blvd/E. 14<sup>th</sup> Street corridor
- A Request for Proposal for a public-private partnership to construct the BART Oakland Airport Connector project is expected to be released in Spring 2006;
- The Environmental Impact Report (EIR)/Environmental Impact Statement (EIS) was certified for the Transbay Transit Center/Caltrain Downtown Extension project in April 2004, thereby completing the CEQA process. The Record of Decision from the Federal Transit Administration was issued in early 2005. Preliminary engineering work and engineering design has been ongoing since late 2004. Most recently, a proposed program implementation plan was presented to the Transbay Joint Powers Authority Board in December 2005.
- AB 224 was enacted into law and created the Sonoma Marin Rail Transit (SMART) District. The 12-member SMART Board will govern the district and operate and manage a passenger rail system through Sonoma and Marin counties once additional funding is secured. SMART released its Draft EIR/EIS in 2005.

A set of project profiles that identify the scope, cost, funding, and schedule for each Resolution 3434 project will be available at the March 3<sup>rd</sup> meeting.

### **Public Comment**

We request committee approval to release this draft update for public review between March 3<sup>rd</sup> and April 7<sup>th</sup>. The proposed revision to Resolution 3434 will be posted on the MTC website, and any comments may be directed to Alix Bockelman at [abockelman@mtc.ca.gov](mailto:abockelman@mtc.ca.gov).

### **Next Steps**

The revised funding plans will be memorialized through a revision to Resolution 3434 scheduled for next month. In the meantime, staff will receive input from the public and transportation stakeholders on the recommended changes and revisions, and report comments and any modifications to the proposed update at the April 14<sup>th</sup> meeting of this committee.

---

Steve Heminger

SH: AB

Attachment: Resolution 3434 – Draft Revision

Date: December 19, 2001  
W.I.: 12110  
Referred by: POC  
Revised: 01/30/02-C  
07/27/05-C  
04/26/06-C

### ABSTRACT

#### Resolution No. 3434, Revised

This resolution sets forth MTC's Regional Transit Expansion Program of Projects.

This resolution was amended on January 30, 2002 to include the San Francisco Geary Corridor Major Investment Study to Attachment B, as requested by the Planning and Operations Committee on December 14, 2001.

This resolution was amended on July 27, 2005 to include a Transit-Oriented Development (TOD) Policy to condition transit expansion projects funded under Resolution 3434 on supportive land use policies, as detailed in Attachment D-2.

This resolution was amended on April 26, 2006 to reflect changes in project cost, funding, and scope since the 2001 adoption.

Further discussion of these actions are contained in the MTC Executive Director's Memorandum dated December 14, 2001, July 8, 2005, and April 14, 2006.

Date: December 19, 2001  
W.I.: 12110  
Referred by: POC  
Revised: 01/30/02-C  
04/26/06-C

Attachment B  
Resolution No. 3434  
Page 1 of 1

**Regional Transit Expansion Policy: Recommended Program of Projects**

PROJECT	COST (millions of 2006 \$)
AC Transit Berkeley/Oakland/San Leandro Bus Rapid Transit	175
BART/Oakland Airport Connector	350
Tri-Valley Transit Access Improvements to BART	464
East Contra Costa BART Extension (eBART)	407
BART to Warm Springs	686
BART: Warm Springs to San Jose/Santa Clara	4,792
Caltrain Express: Baby Bullet ** OPEN FOR SERVICE**	128
Caltrain Electrification	657
Transbay Transit Center/Caltrain Downtown Extension	2,589
Capitol Corridor Expansion	78
Regional Express Bus **OPEN FOR SERVICE**	102
MUNI Third Street Light Rail Transit Project - New Central Subway	1,187
Altamont Commuter Express (ACE): service expansion	219
Sonoma-Marin Rail	353
Dumbarton Rail	313
Expanded Ferry Service to Berkeley, Alameda/Oakland/Harbor Bay, Hercules, Richmond, and South San Francisco; and other improvements.	180

DRAFT

(Project Capital Cost/Funding in Millions and 2006\$)			Committed Funding						Regional Discretionary Funding										
Project	Sponsor	Project Cost (2006 \$)	TCRP	Sales Tax	Resolution 1876	RTIP	Federal Earmarks	Other [see notes]	Section 5309 New Starts	Section 5309 Small Starts	Section 5309 Fixed Guideway Modernization	Ferryboat Discretionary	RM1	RM 2	AB 1171	ITIP	ITIP Intercity Rail	CARB/ AB 434	Capital Shortfall
AC Transit Berkeley/Oakland/San Leandro Bus Rapid Transit	AC Transit	175		20		10	2	3		75				65					-
BART/Oakland Airport Connector	BART	350		80		59		140					31	30		10			-
Tri-Valley Transit Access Improvements to BART	BART/ACCMA/LAVTA	464	25	23		57	11	8					16	65	95	164			-
East Contra Costa BART Extension (eBART)	BART/CCTA	407	5	119		14		6					52	96	115				-
BART to Warm Springs	BART	686	111	203	205	58							24	85					-
BART: Warm Springs to San Jose/Santa Clara	VTA	4,792	649	3,358		149			636										-
Caltrain Express: Baby Bullet ** OPEN FOR SERVICE**	Caltrain JPB	128	127					1											-
Caltrain Electrification	Caltrain JPB	657		408		28		33			83					45		29	31
Transbay Transit Center/Caltrain Downtown Extension	TJPA	2,589		177		26	67	444					53	150	150				1,522
Capitol Corridor Expansion	CCJPA	78	20					14									45		-
Regional Express Bus **OPEN FOR SERVICE**	MTC	102	40											62					-
MUNI Third Street Light Rail Transit Project - New Central Subway	Muni	1,187	14	126		83			625										339
Altamont Commuter Express (ACE): service expansion	SJRRC, ACCMA, VTA	219		40				8			5						16		150
Sonoma-Marin Rail	SMART	353	37	24			7	28						35					222
Dumbarton Rail	SMTA, ACCMA, VTA, ACTIA, Capitol Corridor	313		117		15								135			46		-
Expanded Ferry Service to Berkeley, Alameda/Oakland/Harbor Bay, Hercules, Richmond, and South San Francisco; and other improvements.	WTA	180		47			19					25		89					-
TOTAL		\$ 12,680	\$ 1,028	\$ 4,742	\$ 205	\$ 498	\$ 106	\$ 685	\$ 1,261	\$ 75	\$ 88	\$ 25	\$ 176	\$ 812	\$ 360	\$ 219	\$ 107	\$ 29	\$ 2,264

Notes: For all projects, see Terms and Conditions.

Detail on 'other' funding is provided below:

1. AC Transit Berkeley/Oakland/San Leandro Bus Rapid Transit: \$2.7 million is federal STP funds.
2. BART/Oakland Airport Connector: \$27 million is Port of Oakland funds and \$113 million private financing.
3. Tri-Valley Transit Access Improvements to BART: \$8 million in Tri-Valley impact fees.
4. East Contra Costa BART Extension: \$6 million in developer fees. Note that \$150 million is included in Measure J for the project. Amounts not shown will be used to offset any cost increases or financing costs.
5. BART: Warm Springs to San Jose/Santa Clara: New Starts request is \$750 million in Year of Expenditure dollars. Confirmation of RTIP commitment pending reconciliation by VTA between the Santa Clara county-wide plan and MTC's Transportation 2030.
6. Caltrain Express: \$1 million is Joint Powers Board member contributions.
7. Caltrain Electrification: \$21 million is salvage value of sale of diesel engines and \$12 million in regional STP/CMAQ funds.
8. Caltrain Downtown Extension/Rebuilt Transbay Terminal: Other funds include \$439 million in land sales and tax increment financing, and \$5 million in lease and transferrable development rights.
9. Muni Third Street Light Rail Project: New Starts request is \$762 million in Year of Expenditure dollars.
10. Capitol Corridor Expansion: Other includes \$3 million in STP/CMAQ funds, \$10 million in local funds, and \$0.5 million in Prop 116 funds.
11. ACE Service Expansion: Other includes \$8 million in San Joaquin federal fund contributions.
12. Sonoma-Marin Rail: Other includes \$28 million in Prop. 116.

Date: December 19, 2001  
W.I.: 12110  
Referred by: POC  
Revised: 04/26/06

Attachment C  
Resolution No. 3434  
Page 2 of 3

### Definitions and Assumptions of Regional Discretionary Funding

- Federal Section 5309 New Starts: ~~the total shown is an~~ estimate for the 25-year RTP period- ~~totals \$1.266 billion~~. This estimate trends against recent historical averages of the Bay Area's New Starts funding compared to the nation, an average of 7% over the last 10 years. This represents a target for advocacy in Washington, D.C.; actual authorizations and appropriations are at the discretion of Congress.
- Federal Section 5309 Small Starts: estimate for the 25-year RTP period, beginning with the federal reauthorization in 2005. Small Start Capital Grants may not exceed \$75 million under law. This represents a target for advocacy in Washington D.C.; actual authorization and appropriations are at the discretion of Congress.
- Federal Section 5309 Rail Modernization: These Federal Transit Administration formula funds are eligible for fixed guideway infrastructure projects. In the MTC region these funds are by policy devoted to capital replacement. The funding would replace diesel locomotives with electric locomotives when eligible for the Caltrain Electrification project.
- Federal Ferryboat Discretionary Program: estimate for the 25-year RTP period, beginning with the federal reauthorization in 2005; provides a special category for the construction of ferry boats and ferry terminal facilities. This represents a target for advocacy in Washington D.C.; actual authorization and appropriations are at the discretion of Congress.
- Regional Measure 1 Rail Reserve: ~~the total shown is an~~ estimate for the 25-year RTP period- ~~totals \$176 million~~, net of existing commitments to the BART Warm Springs extension. These funds from the base \$1 Bay Bridge toll are directly allocated by the Commission to rail projects in the bridge corridor according to a statutory formula splitting the funds 70% to East Bay projects, and 30% to West Bay projects. This funding estimate assumes debt financing against this revenue stream.
- Regional Measure 2: Regional voter-approved measure providing \$812 million to Resolution 3434 projects. The specific amounts are identified in statute for each project. This funding estimate assumes debt financing against this revenue stream.

Date: December 19, 2001  
W.I.: 12110  
Referred by: POC  
Revised: 04/26/06

Attachment C  
Resolution No. 3434  
Page 3 of 3

- AB 1171: This is a discretionary funding source passed by the Legislature and signed by the Governor in October 2001. AB 1171 (Dutra) extends the \$1 seismic surcharge (the second half of the current \$2 auto toll) on the seven state-owned Bay Area toll bridges for up to 30 years to finance retrofit work. Under certain financing provisions, a portion of that toll revenue will return to MTC acting as the Bay Area Toll Authority (BATA). This funding can be used for projects consistent with the voter approved Regional Measure 1 program—including congestion relief projects in corridors served by some proposed transit expansion projects—and is estimated over the 25-year period of the RTP to total \$500 million based on debt financing; \$360 million of this amount is being assigned to the Regional Transit Expansion program of projects.
- Interregional Transportation Improvement Program: ~~the total shown is an~~ estimate for the 25-year RTP period ~~totals \$473 for the Regional Transit Expansion projects~~; other ITIP funding is assumed for highway and other projects. ~~This funding assumes a state focus for urban rail projects, plus additional funds to reflect. An additional estimate for the 25-year period is assumed for the state's Intercity Rail Plan elements for the Capitol Corridor, and potential High Speed Rail related interests, for Capitol Corridor, Dumbarton Rail, and ACE projects.~~ As ITIP funds are the state's discretionary portion of the State Transportation Improvement Program, this represents a target for advocacy in Sacramento. Actual programming commitments and allocations are at the discretion of the California Transportation Commission.
- CARB/AB 434: Both the California Air Resources Board (CARB) and the Bay Area Air Quality Management District (AB 434) administer discretionary funding programs focused in whole or in part on reducing emissions from diesel engines. ~~\$50-29~~ million is assumed from the two programs combined to help fund the Caltrain electrification project. This funding target for advocacy over the RTP period is sized to the annual funding levels of the two programs.
- ~~Federal Section 5309 Bus Discretionary: estimate for the 25-year RTP period totals \$138 million for the Regional Transit Expansion projects, after assigning \$89 million to defray transit capital shortfalls for existing transit system bus replacements for Muni, Golden Gate, and Vallejo Transit. The estimate is based on the region's recent historical average in obtaining these discretionary funds, which are subject to appropriation by Congress.~~

Date: December 19, 2001  
W.I.: 12110  
Referred by: POC

Attachment D  
Resolution No. 3434  
Page 1 of 4

## Terms and Conditions

### General Terms

1. Operating Funding – In order for an extension of service to be included in the Regional Transportation Plan (RTP), the project sponsor must provide evidence of its ability to fund operation of the service for a minimum of 10 years, or the duration of operations within the 25-year RTP time horizon, whichever is longer. These financial capacity determinations must also include a demonstration of the transit operator's ability to sustain levels of core bus services to low-income and minority populations, as required under MTC Resolution No. 3357. Should the transit operator's financial stability deteriorate, or the expansion project in question experience significant cost increases, these financial capacity determinations will be revisited in MTC's review of the operator's applicable Short Range Transit Plan.
2. Cost Increases – Commitments of regional discretionary funds (Section 5309 New Starts, Small Starts, and Bus Fixed Guideway Modernization, Regional Measure 1 Rail Reserve, ITIP, AB 1171, ~~and~~ CARB/AB 434, Regional Measure 2, Ferry Boat Discretionary) are capped at the amounts shown in Attachment C in ~~2001-2006~~ dollars. Escalation adjustments will be made at the time funds are secured or allocated, except for bridge toll funds that are shown in year-of-financing dollars. Project sponsors are responsible for funding any cost increases (including financing costs) above the estimates shown in Attachment C from other sources. Funding shortfalls must be addressed for projects to be included in the Regional Transportation Plan.
3. Amendment – The Commission shall consider amending this regional transit expansion program following the passage of major new funding sources that could advance projects with current shortfalls into the RTP, ~~such as ACA 4 (Proposition 42 on the March 2002 state ballot) or county sales tax measures.~~ New funding sources also could be used to offset cost increases for projects already included in the RTP.
4. Station Access Planning: Consistent with recommendations of MTC's Regional Bicycle Plan, all new transit stations that are built as result of Resolution No. 3434 investments must provide direct and convenient pedestrian and bicycle access from adjacent walkways and bicycle facilities. Station access planning shall be consistent with the conclusions reached from the evaluation of FSM 5 in the 2001 Bay Area Ozone Attainment Plan.

Date: December 19, 2001  
W.I.: 12110  
Referred by: POC

Attachment D  
Resolution No. 3434  
Page 2 of 4

## Specific Conditions

1. Section 5309 New Starts – The region's first priority for federal New Starts funds is the BART extension to San Francisco International Airport until such time that the project receives its final appropriation from Congress, currently expected in 2006. Thereafter, the BART Warm Springs to San Jose extension and the Muni Central Subway project will share equal priority.

~~2. Section 5309 Bus Phase 1 of AC Transit's Oakland/San Leandro Bus Rapid Transit: Phase 1 Enhanced Bus project will be the region's first priority for federal discretionary bus funding. The Section 5309 Bus commitment will be reduced by up to \$44 million if a like amount of Alameda Measure B Tier 2 funds become available for the Phase 1 project, and these federal bus funds will be redirected to the AC Transit Enhanced Bus: Hesperian/Foothill/MacArthur. The Commission also will support up to \$89 million in Section 5309 funds for bus replacement projects for Muni, Golden Gate, and Vallejo Transit to fund capital shortfalls for these operators identified in the 2001 RTP, consistent with the project readiness and need for funds of the AC Transit enhanced bus projects.~~

2. Section 5309 Small Starts – The region's priority for federal Small Starts funds is the AC Transit Oakland/San Leandro Bus Rapid Transit Project.

3. AB 1171 – These funds will be subject to terms and conditions established by MTC acting as the Bay Area Toll Authority (BATA); ~~and~~ and are contingent upon the availability of excess toll revenue net of Caltrans debt service; ~~and are not available for programming until completion of the toll bridge seismic retrofit program, currently scheduled for 2007.~~ The balance of these funds not committed in Attachment C will be reserved as follows: \$100 million reserved for the north connector and weave correction components of the I-80/680 interchange project, and \$40 million for other congestion relief improvements in the Northern Bridge group—Antioch, Benicia-Martinez, Carquinez and Richmond-San Rafael—corridors. Should AB 1171 funds exceed \$500 million, the next increment up to \$60 million will also be reserved for Northern Bridge group corridor improvements. The next increment above the \$60 million will be distributed evenly between the BART/East Contra Costa Rail Extension and BART/Tri Valley Rail Extension projects, not to exceed \$25 million each, in addition to the sums stipulated in Attachment C. Any increment above these amounts will be allocated at the discretion of the Commission.

~~4. BART to Warm Springs—The ITIP commitment to this project will be reduced by up to \$80 million if a like amount of Alameda Measure B Tier 2 funds become available for this project.~~



Date: December 19, 2001  
W.I.: 12110  
Referred by: POC

Attachment D  
Resolution No. 3434  
Page 3 of 4

5.4. BART Warm Springs to San Jose – In addition to the general terms for operating funding imposed on all projects, the BART Warm Springs to San Jose project is included in the RTP contingent upon approval by the BART and VTA Boards of an operating and maintenance agreement regarding extension of service into Santa Clara County and associated impacts of the extension on the core BART system. If a TDA “lien” is implemented pursuant to the BART/VTA agreement after 2009, MTC will condition allocation of the remaining TDA funds subject to the following:

At the time that the BART to San Jose extension commences revenue service, or at any point thereafter, should VTA’s bus service levels have not achieved, or later fall below, a 600 fleet/500 peak target, then MTC shall hold public hearings at which VTA must demonstrate that services to Title VI communities have been assured, based on MTC’s Lifeline Transportation analysis, as validated and amended by transit operators and the Congestion Management Agencies.

Should VTA choose to identify TDA funds as the guaranteed operating and maintenance subsidy pursuant to the BART/VTA agreement and demonstrate that it has secured other funding sources to replace the TDA revenue so guaranteed, then MTC shall not condition its allocation of TDA funds as described above.

~~6.5. BART/Oakland Airport Connector – The Commission expects that BART will give first priority for any surplus operating revenue from this project to be used to defray operating costs of new BART-administered rail services in the Livermore and Antioch corridors.~~

~~7.6. Caltrain Downtown Extension/Rebuilt Transbay Terminal – (1) This project is included in the RTP contingent upon written assurance from Caltrans that the transfer of state-owned property necessary to finance the project will occur administratively in a timely manner. (2) The project sponsor’s financial plan assumes that \$475 million in tax increment and net operating revenue generated from the new Transbay Terminal will be available to help defray the capital cost of the Caltrain Downtown Extension project. Should such revenues be lower than expected, back-up funding for the Caltrain extension must be provided by the Peninsula Corridor JPB according to a formula to be negotiated by its member agencies. (3) The ITIP commitment to the project will be reduced by \$59 million if a rollover of San Francisco’s sales tax measure is approved.~~

8.7. Caltrain Rapid Rail/Electrification: The distribution of sales tax and RTIP ~~STP/CMAQ/STIP Track 1~~ funds that represent funding contributions of the three Peninsula

Date: December 19, 2001  
W.I.: 12110  
Referred by: POC

Attachment D  
Resolution No. 3434  
Page 4 of 4

Corridor JPB agencies for the electrification project may be renegotiated by the JPB, and a new distribution submitted to MTC for inclusion in the funding plan for the project. The ITIP commitment to the project will be reduced ~~by up to \$65 million~~ if a like amount of funding is secured from the California High Speed Rail Authority.

- ~~9. Dumbarton Rail—This project can advance into the RTP upon funding and approval of an operating and maintenance agreement by the affected counties.~~
- ~~10. BART/East Contra Costa Rail Extension—The regional discretionary funds committed in Attachment C are for a commuter rail connection to the existing BART line (such as eBART), a BART extension in the Route 4/Antioch corridor, or for access improvements to existing BART stations in the corridor. The costs shown are for the eBART proposal. If right-of-way costs are lower than \$95 million, the savings shall be applied to rail construction costs in the corridor.~~
- ~~11. BART/Tri-Valley Rail Extension—The regional discretionary funds committed in Attachment C are for a commuter rail connection to the existing BART line (such as tBART), a BART extension in the I-580/Livermore corridor, or for access improvements to existing BART stations in the corridor. The costs shown are for the tBART proposal. If right-of-way costs are lower than \$80 million, the savings shall be applied to rail construction costs in the corridor.~~